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# SPY MET AN ISRAELI THROUGH INVESTOR

Officer of New York Concern  
Made Introduction — Role  
Is Minimized by Lawyer

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Special to The New York Times

WASHINGTON, July 3 — An officer at a New York investment concern introduced the convicted spy Jonathan J. Pollard to the man who became his first Israeli contact, according to sources familiar with the case.

The investment officer was identified by the sources as Steven E. Stern of Manhattan, whom Standard & Poor's lists as a vice president of the MKI Securities Corporation. His lawyer, Jonathan L. Rosner, said today that Mr. Stern had no idea the contact would lead to espionage.

Mr. Pollard pleaded guilty last month to spying for Israel and is awaiting sentencing. He is cooperating with the authorities, and a Federal investigation of others who may have been involved in the case is continuing, according to Justice Department officials.

## 'Witness' in the Case

Mr. Rosner said department officials had told him that Mr. Stern was designated a "witness" in the case, a term he said refers to "someone against whom they do not intend to proceed or do not have the evidence to proceed."

Government officials would not comment on this assertion, but one official indicated the continuing investigation of those linked to Mr. Pollard was not focused on Mr. Stern.

In a statement of what they intended to prove if Mr. Pollard had not pleaded guilty, prosecutors said last month:

"In the spring of 1984, an associate of Mr. Pollard's indicated that the associate had recently met a high-level officer in the Israeli Air Force. Mr. Pollard asked to be put in contact with the Israeli officer. Shortly thereafter, the associate arranged for the Israeli officer, Col. Aviem Sella, and Mr. Pollard to meet. Col. Aviem Sella was at that time a graduate student at New York University."

According to the statement, Colonel Sella subsequently met with Mr. Pollard several times to work out arrangements for the copying and sale of American classified documents to Israel. Mr. Pollard worked for the Navy as an intelligence analyst and sold documents to the Israelis for more than a year after his contact with Colonel Sella, prosecutors said.

Mr. Rosner confirmed that Mr. Stern was the "associate" but said "old friend" would be a more accurate term for their relationship. He would not say how Mr. Stern came to meet Colonel Sella or Mr. Pollard.

## 'Such Little Consequence'

The lawyer said Mr. Stern did not know the purpose of the meeting with Colonel Sella or its outcome. "Mr. Stern's involvement in this whole affair is of such little consequence that it shouldn't even be the subject of a story," Mr. Rosner said.

Mr. Rosner said Mr. Stern had appeared before the grand jury investigating the case. "I frankly think it would be inappropriate for Mr. Stern to discuss either his grand jury appearance or anything else," said Mr. Rosner.

Colonel Sella's possible indictment in the case has stirred concern in both Washington and Israel.

In recent days, published reports in the Israeli press and elsewhere have suggested that an American Jewish leader involved in philanthropic efforts was about to be implicated in the case.

Mr. Stern's links to Jewish fund-raising appear to be minimal. Mr. Rosner said Mr. Stern once held a reception to promote the sale of Israel bonds. Donald D. Beahler, counsel to the Bonds for Israel fund drive, said that Mr. Stern had otherwise not served the group in any official capacity and that many people each year held such receptions.